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GORBACHEV SPEAKS OF TIES WITH ISRAEL, DIFFERS WITH U.S. ON HUMAN RIGHTS By David Friedman

WASHINGTON, June 1 (JTA) -- Soviet leader Mikhail Gorbachev said Wednesday that Moscow would consider restoring diplomatic relations with Israel at the start of an international conference on a Middle East peace settlement.

But Gorbachev, responding to questions at a news conference, the first ever held in Moscow by a Soviet leader, made clear that while the Soviet Union and the United States agree on the need for a conference, they still disagree on the purpose of such a meeting.

President Reagan, who held a separate news conference, did not mention the Middle East, except to note that it was one of the regional issues discussed in the two leaders' final meeting. Both news conferences were monitored here in Washington.

The type of conference outlined by Gorbachev is one that "is not simply an umbrella for separate negotiations," but rather "a real forum connected with bilateral, trilateral and other forms of discussions

"As soon as that conference starts working, we would be prepared to address ourselves to the question of diplomatic relations with Israel," the Soviet leader said

The United States and Israel have demanded that the Soviet Union restore diplomatic relations, which were broken with Israel during the 1967 Six-Day War, before Moscow can be included in the Middle East peace process.

A five-member Israeli consular delegation is expected to arrive in Moscow soon, the first Israeli diplomatic mission to the Soviet Union since Moscow broke ties.

The Soviet idea of a conference is also diametrically opposed to the one outlined by Secretary of State George Shultz in his Mideast peace initiative. The conference proposed by Shultz would only pave the way for negotiations between Israel and its Arab neighbors. It would neither dictate nor veto a settlement reached between the Middle East parties.

Gorbachev said the conference should deal with the "return of occupied lands" and "the right of the Palestinian people to self-determination."

Affirms Security For Israel

He added, "Of course, we proceed from the assumption that the people of Israel, the State of Israel, have the right to their own security, because there can be no security for one at the expense of another."

The Soviet leader did not specifically call for a Palestinian state. He said that as to the form of self-determination, "let the Palestinians, with their Arab friends, decide on that."

Nor did he demand, except by implication, that the Palestine Liberation Organization represent the Palestinians in negotiations.

"We cannot decide for the Arabs how the Palestinians participate in the international conference," he said. "Let them decide for themselves, let the Arabs decide."

But he stressed that the United States and

the Soviet Union "should respect their decision." Israel opposes PLO participation in negotiations.

Shultz, in an interview on PBS's "MacNeil-Lchrer Newshour" Tuesday night said that there were "worthwhile discussions" with the Soviets on the Middle East. He said that along with the United States, the Soviets share "a sense that the situation there is not stable" and "the status quo is not an option."

But Shultz, who returns to the Middle East on Friday, stressed that if a settlement is to be achieved, "it will have to be basically between Israel and each of its neighbors in those bilateral negotiations."

On human rights, an issue which Reagan stressed repeatedly in public comments since his arrival in Moscow on Sunday, Gorbachev said, "I'm not filled with admiration for this part of the visit."

Gorbachev said he had long discussions with Reagan on the issue and came to the conclusion that "the American administration does not have a real understanding of the real situation. . . They just don't know about the process in the sphere of democracy and democratization in this country."

He said that he suggested an interparliamentary permanent seminar that would exchange information about conditions in the United States and the Soviet Union.

Attacks Jackson-Vanik

Gorbachev also attacked the Jackson-Vanik Amendment, which links most-favored-nation trade benefits with increased emigration from the USSR. He quipped that in trade, the Soviets are receiving "unfavored-nation treatment."

"Why should the dead hold onto the coattails of the living?" Gorbachev said he asked Reagan. "I mean the Jackson-Vanik Amendment. One of them's already physically dead. The other's politically dead." He was referring to the late Sen. Henry Jackson (D-Wash.) and former Rep. Charles Vanik (D-Ohio). Gorbachev said he stressed that "the more we depend on each other economically, the more predictable will we be politically."

The Reagan administration repeatedly has asserted that it does not support repeal of the amendment.

Reagan again stressed human rights at his news conference. "The United States views human rights as fundamental to our relationship with the Soviet Union and all nations," the president said.

"From the beginning, we've stressed this point and we are encouraged by recent signs of progress in the Soviet Union. I believe that where people have the right to speak, write, travel and worship freely, creative energies are released."

But at the news conference, as in his appearance at Moscow State University on Tuesday, Reagan seemed to absolve Gorbachev of responsibility for the human rights problems, blaming them instead on the bureaucracy.

Reagan denied that he was interfering with Soviet domestic affairs. He explained that the United States is a nation of immigrants and that one out of eight Americans either came from the Eastern bloe countries or traced their ancestructure, and were concerned about what happened

to their relatives and friends there.

"When we feel that people are being unjustly treated, imprisoned for something that in our country would not be a crime," said the president, "our people get aroused and they come to us and they want helo."

PERES WELCOMES GORBACHEV REMARKS; SHAMIR WANTS TO STUDY THE TEXT By David Landau

JERUSALEM, June 1 (JTA) -- Premier Yitz-hak Shamir and Foreign Minister Shimon Peres had markedly different reactions Wednesday to Soviet leader Mikhail Gorbachev's statement in Moscow that the Soviet Union would consider restoring diplomatic relations with Israel at the start of an international conference for Middle East peace.

Gorbachev spoke in response to questions at the first news conference ever held by a Soviet leader in Moscow. Peres, who will head the Labor Party list in the Knesset elections next November, found Gorbachev's remarks encouraging.

He said he would "welcome" a new and more balanced Soviet position on the Middle East conflict and would be pleased if Gorbachev's words signaled an era of cooperation, instead of confrontation, between the superpowers in this region.

Shamir, who was formally elected Wednesday by the Herut Party Central Committee to head its election list as candidate for prime minister, reacted cautiously. He said he wanted to scrutinize the text of Gorbachev's remarks and to discuss these developments with U.S. Secretary of State George Shultz when he arrives here this weekend.

Shultz will resume his diplomatic efforts in the area next week with visits to Egypt, Israel, Jordan and Saudi Arabia.

Political observers here interpreted Gorbachev's remarks as a measure of encouragement to Shultz to continue pressing his peace plan. The different reactions of the two Israeli leaders reflected their opposing hopes and expectations from the Moscow summit conference between Gorbachev and President Reagan, which has just ended

Labor hoped for a narrowing of the differences between the superpowers over an international conference. Likud, which adamantly opposes the conference scenario, hoped for an opposite outcome.

SOVIET EMIGRATION HIGHEST SINCE APRIL'81

NEW YORK, June 1 (JTA) -- A total of 1,146 Jews left the Soviet Union in May, the National Conference on Soviet Jewry reported Wednesday.

Of that total, only 87 proceeded to Israel.
May's figures are the highest monthly total
since April 1981, when 1,155 Jews left. At that
time, 153 went to Israel.

The number of Jews who left the Soviet Union so far this year totals 4,672, of which 613 went to Israel.

Not only are Jews leaving in substantial numbers. The Soviets are permitting even larger numbers of Armenians to leave. Total Armenian emigration figures for the year are 5,305, of whom 1,501 left in May, according to the Genevabased Intergovernmental Committee for Migration.

(Geneva correspondent Tamar Levy contributed to this report.)

SOVIETS TO BE AT ISRAELI PHYSICS FORUM By Hugh Orgel

TEL AVIV, June 1 (JTA) -- The first official delegation from the Soviet Academy of Sciences ever to visit Israel is due here next week

It will attend the Landau Memorial Conference on the Frontiers of Physics, to be held at Tel Aviv University from June 6 to 10. The conference is named in honor of the late Lev Landau, a Nobel Prize-winning physicist from the Soviet Union.

It is sponsored jointly by the Israel Academy of Sciences and Humanities, the European Physical Society and the Kolker Foundation.

The Soviet delegation will be headed by Professor Yuri Ossipyan, vice president of the Academy of Sciences in Moscow, and includes Professors L. Faddeev and I.M. Khalatnikov.

Several American Nobel laureates will attend the conference. Other eminent physicists are coming from Belgium, West Germany and Britain.

NEW ZEALAND WITHHOLDS ISRAEL ENVOY By David Landau

JERUSALEM, June 1 (JTA) - Israeli officials had no comment Wednesday on reports that New Zealand has delayed sending an ambassador to Israel because it disapproves of Israel's behavior toward the Palestinians in the administered territories.

The Foreign Ministry said it had received no formal notification from Wellington.

But New Zealand's foreign minister, Russell Marshall, stated flatly on radio this week that he decided to delay the diplomatic formalities of accreditation, because of what he called "Israel's heavy-handed approach to Palestinian Arab protesters."

It is the sharpest diplomatic rebuff Israel has yet received in connection with the 6-monthold Palestinian uprising in the West Bank and Gaza Strip.

New Zealand has no resident ambassador in Israel. Its envoy to the Netherlands is accredited here and was scheduled to come to Jerusalem in April to present his credentials to President Chaim Herzog.

His arrival was put off and no new date has been set.

CANDIDATE'S OFFICE BOMBED IN FRANCE By Edwin Eytan

PARIS, June 1 (JTA) — A powerful bomb did severe damage Tuesday night to the campaign headquarters of a prominent member of the Jewish community, Jean-Pierre Pierre-Bloch who is running for Parliament.

The walls of the building housing the offices were covered with anti-Semitic slogans, such as "Death to the Jews."

Pierre-Bloch is a candidate of the centerright Rally for the Republic, the party headed by former Premier Jacques Chirac. He is fiercely opposed to any alliance with the extreme rightwing National Front, led by Jean-Marie Le Pen.

The police suspect the bomb and graffiti may

have been the work of Le Pen supporters.

Anti-Semitic daubings were also found Tues-

day on the walls of a war memorial in the city of Drancy, near Paris, where hundreds of thousands of Jews were once herded into a concentration camp to await deportation to Eastern Europe.

RIOTING WORKERS DAMAGE PROPERTY. AS ISRAEL BRACES FOR NEW STRIKES By Hugh Orgel

TEL AVIV, June 1 (JTA) -- Rioting workers ripped up government property in downtown Jerusalem on Wednesday, as the country braced for a 24-hour strike by about 130,000 public sector employees, ranging from engineers to academicians

The mass walkout Thursday will silence Israel radio and television, except for brief hourly news bulletins. Employees of Ben-Gurion Airport announced they will handle only incoming flights Thursday, bad news for people planning to leave Israel by air in the next 24, hours.

The latest labor strife reflects mounting dissatisfaction with wages, working conditions and layoffs among industrial workers, engineers, technicians and members of the social science and humanities faculties on university campuses.

It parallels a seemingly endless succession of strikes, work slowdowns and curtailed services by medical and non-medical personnel employed by the government hospitals and those run by Histadrut's health care agency, Kupat Holim.

All of the nation's hospitals, except for a handful that are privately owned, are on drastically reduced Sabbath schedules this week, because of an ongoing dispute with the Finance Ministry over wages and overtime pay.

The Finance Ministry building was the target of violent demonstrations Wednesday by workers from the financially troubled Beth Shemesh engine factory. They smashed windows, broke office furniture and threw garbage all over the premises.

Tear Gas Used Against 'Hooligans'

Outnumbered police used tear gas to disperse the rioters. Five police officers and 14 rioters were hospitalized for injuries. Six arrests were

Spectators described the violence as the worst in Jerusalem since Herut-led demonstrations nearly 30 years ago against Israel's acceptance of German reparations.

Finance Ministry Director-General Victor Medina said "hooligans" would not force the Treasury to surrender to illegal acts.

The problem stems from the dismissal of 260 workers at the Beth Shemesh plant, where engines for the Lavi jet fighter were built. The Lavi project was scrapped last year under heavy pressure from the United States, because of huge cost overruns. The project had been largely financed by American economic aid.

The dismissed employees demanded severance pay equal to that given laid-off workers at Israel Aircraft Industries, which designed and built the Lavi. IAI has other military-industrial orders on its books, but the Lavi engine was the sole support of the Beth Shemesh works, and its people suffered most from layoffs.

According to Medina, the Finance Ministry. has been negotiating with the workers for two weeks on severance pay, but was met with "ex-

cessive demands."

Haim Haberfeld, head of Histadrut's trades union department, announced the labor federation's support for the engineers, who will walk of their jobs Thursday. He said the Treasury was unable to offer a wage package deal, because its policy is "only to take and not to give anything," an allusion apparently to the high taxes Israelis pay.

ANTI-ISRAEL SENTIMENT REFLECTED IN RISE IN ANTI-SEMITIC INCIDENTS

NEW YORK, June 1 (JTA) -- For the first time since Israel was founded 40 years ago, a significant number of anti-Semitic incidents in the United States now reflect "a politically-related anti-Israel component," according to a report published Tuesday by the Anti-Defamation League of B'nai B'rith

The report said that 88 of the 443 reported incidents of anti-Semitic vandalism threats and harassment directed against synagogues, Jewish institutions, other property and individual Jews included bomb threats and graffiti such as "Death to Jews and Israel" and "Long Live the PLO."

The vandalism is linked to the Palestinian unrest in the West Bank and Gaza Strip.

The study by the ADL's Civil Rights Division, titled "Audit of Anti-Semitic Incidents: The Anti-Israel Component," describes the phenomenon as new in the United States, "though it's been a common occurrence in European countries," said ADL national director Abraham Foxman.

During all of 1987 in the United States. there were only three incidents of an anti-Israel nature out of a total of 1,018 reported in the ADL audit, Foxman said. In 1986, only eight out of 906 anti-Jewish episodes were politically oriented.

According to Foxman, the 88 incidents occurred in 18 states, the District of Columbia and Puerto Rico.

The state with the highest number was California, where 25 such incidents were reported. Illinois was second with 9, followed by Florida with 8. Minnesota with 7 and Massachusetts and Pennsylvania with 6 cach.

Overall, the 443 anti-Semitic incidents reported during the first four-and-a-half months of 1988 showed an increase of 16 percent compared to the same period in 1987.

Continues 1987 Trend

The increase for 1988 reflects the trend the ADL found last year, when statistics gathered by the league's 31 regional offices, law enforcement officials and other sources showed a significant increase in total anti-Semitic incidents after a five-year downward trend.

"It is unclear whether they reflect an emerging new problem of anti-Semitism with political overtones, or if they simply are a departure in the behavior of those who would commit anti-Semitic acts -- using a new vehicle to spread their messages of hate," Foxman said.

Among the incidents reported in 1988 involving anti-Israel threats or statements were the following:

 In Skokie and Springfield, Ill., La Jolla, Calif., and Mercer, Wash., bomb threats were received by synagogues. . In Scattle, San Francisco, Atlanta, Minnea-

polis and Philadelphia, phone threats and other forms of harassment took place.

. In Fullerton, Calif., a synagogue was the target of arson.

. In Palm Beach County, Fla., four synagogues were vandalized.

Particularly disturbing, the report said, were accounts of Israel-related anti-Semitic incidents on college campuses, where Hillel centers as well as individual Jewish students and faculty members were targeted in six separate cases across the country.

EUROPEAN JEWISH CONGRESS URGES POPE NOT TO MEET WALDHEIM By Yossi Lempkowitz

BRUSSELS, June 1 (JTA) -- The European Jewish Congress wound up its two-day annual conference here Tuesday night with an appeal to Pope John Paul II to avoid contact with President Kurt Waldheim of Austria during his visit to Vienna later this month.

While the resolution expressed deep concern that such a meeting would take place -- the second between the pontiff and Waldheim -- it pointedly avoided any reference to possible consequences for Jewish-Catholic relations.

The pope's June 1987 audience with Waldheim drew strong worldwide criticism for what seemed to be a sanctioning of Waldheim's wartime

The resolution adopted here was a follow-up to a letter that Congress president Theo Klein sent last January to the Vatican secretary of state, Cardinal Agostino Casaroli.

Klein wrote that the papal trip to Austria was not only a pastoral visit but could be construcd as having a political character because of the "impact of the pope on the moral level."

"John Paul II could have waited for such a visit to Austria for the Austrians to do their housecleaning at home," Klein wrote, an allusion to a movement by some Austrian groups to force Waldheim to resign.

The Congress' position on Waldheim was reinforced when the World Jewish Congress, with whom the European Congress is affiliated, released a 65-page dossier on Waldheim Tuesday.

Waldheim's Direct Involvement

Compiled by researchers from the archives of a dozen countries, the report updates Waldheim's role as an intelligence officer in a unit of the German army occupying the Balkans during World War II. It showed that his unit was directly involved in the deportation of Jews and other atrocities against civilians and resistance fighters.

The dossier will be given to members of the Vatican's Commission for Religious Relations with the Jews, who will be meeting with Jewish officials in Geneva Thursday.

The European Jewish Congress conference was attended by about 100 delegates from Jewish communities in 25 countries of Western and Eastern Europe -- though none from the Soviet Union -- and by observers from the United States and Israel.

The European body also adopted resolutions on Syrian Jewry and the process of democratization in the Soviet Union.

The conference ended without selecting a new president to succeed Klein, whose two-year term will end next September. Klein is French and heads the representative body of French-Jewish organizations, CRIF.

When the European Jewish Congress was founded in January 1986, it was agreed that its leadership would be rotated between France and Britain, the European countries with the largest Jewish communities. Klein's successor therefore was to be Lionel Kopelowitz, current president of the Board of Deputies of British Jews.

But some delegations from smaller Jewish communities challenged the rotation idea Tuesday. suggesting that the presidency should be based on competence, not nationality. The Congress will examine the issue over the next several months.

RABBIS BACK TASK FORCE'S CALL TO BAN SURROGATE MOTHERHOOD By Andrew Silow Carroll

NEW YORK, June 1 (JTA) -- Rabbis participating in a New York state bioethics task force said Tuesday that they support the panel's en-dorsement of a ban on surrogate motherhood contracts

In recommending legislation that would prohibit payments to surrogates and bar surrogacy brokers from operating in the state, the New York State Task Force on Life and the Law has taken "a proper stand," Rabbi A. James Rudin, interreligious affairs director of the American Jewish Committee, said in a statement.

A second rabbi on the 26-member panel, Rabbi J. David Bleich of Yeshiva University, said that he essentially agreed with the recommendations, released Saturday.

The panel did not call for a total ban on surrogacy arrangements, and "would still permit surrogacy arrangements when they are undisputed and when they do not involve payment of a fee to a surrogate," explained Rudin.

But the panel said the practice of paying women to serve as surrogate mothers "has the potential to undermine the dignity of women,

children and human reproduction.'

In case of disputes, the task force recommended that custody always be awarded to the mother, unless there is "clear and convincing evidence" that awarding custody to the father would be in the child's best interest.

In an interview Tuesday, Rudin said he hoped that legislation based on the report will be brought before the New York state legislature in the near future. Gov. Mario Cuomo said Saturday that he would use the report to initiate discussion with the legislature concerning a surrogate parenthood bill.

Illegal In Four States

Surrogate contracts are void and unenforceable in four states: Indiana, Kentucky, Louisiana and Nevada. Regulations are pending in more than 20 other states.

The issue gained national attention when surrogate mother Mary Beth Whitehead tried to win custody of her child, referred to as "Baby M," from William Stern, the natural father, with whom she had contracted to have a baby.

The New Jersey Supreme Court voided the contract between Whitehead and Stern, ruling that surrogacy contracts involving fees violate the state's adoption laws. Nevertheless, the court awarded custody of the child to Stern. Whitehead has since won the right to weekly visits.

In his statement, Rudin said that "commercial surrogate parenting is similar to baby-selling. It also places a contractual 'price tag' on human reproduction."

According to Bleich, a professor of Talmud at Yeshiva's Rabbi Isaac Elchanan Theological Seminary, Jewish law forbids both artificial insemination and "baby-selling."

But halacha also treats placement of children born of such an arrangement as "a simple custody dispute."

"A consensus holds that there is a paternal relationship established by artificial insemination," said Bleich. "The father is obligated to support and maintenance, regardless of who gets custody, which should always be decided in the child's best interest."